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DATE OF INFORMATION 1950

DATE DIST. 7 Nov 1950

NO. OF PAGES 2

SUPPLEMENT TO  
REPORT NO.

SUPPLEMENT TO  
REPORT NO.

THIS IS UNEVALUATED INFORMATION

Przegląd Komunikacyjny.

## INSTRUCTIONS FOR FINANCING INVESTMENTS IN POLAND

The Law of the Economic Committee of the Council of Ministers, adopted 21 January 1950, ruled that special instructions will govern the scope and methods of banking control over industrial investments.

The Investment Bank authorizes investments, together with cooperating banks, comprising the Agricultural Bank, the Communal Bank, and the Bank of Commerce and Manual Trades. The Investment Bank is authorized to supervise the cooperating banks in the financing and control of investments.

The use of the terms "investment credits" has been discontinued, and the terms "repayable and nonrepayable media for investment" have been adopted. The break from the use of investment credits is sound, since nonrepayable media do not have the characteristics of credits. The instructions cover the accumulation of limited and nonlimited media. The accumulation of limited media can take place only in the account of the Polish National Bank. Limited media comprise deposits by enterprises to depreciation reserves. These reserves are then used to provide nonrepayable media for investments.

Nonlimited financial media may be accumulated in the accounts of banks directly financing investments of individual investors. It must be noted that the disbursements of nonlimited media cannot exceed the accumulated funds deposited for the account of a given investor, or the limit set by the Investment Plan.

The procedure is as follows: the investors file their proposed investment projects with the Investment Bank, which examines them for conformity with regulations and with the Investment Plan. The bank can return the proposals or lower the estimate to the limit specified. Projects certified by the Investment Bank are transmitted for financing either to a branch of the Investment Bank or to the Central Office of the cooperating bank. This automatically frees funds specified in the budget, with proper notification from the bank to the investor. The investor must promptly transmit to the bank copies of agreements, allocations, and orders. Financing is done through

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the regional branch of the bank involved. Constant supervision is maintained by the bank of investment expenditures through the transmittal of vouchers. In event of infractions by the investor, both the investor and the authorities are notified, including the Supreme Chamber of Control.

Separate instructions cover repayable investment credits. These are covered by promissory notes, to insure payment of the obligation.

In addition to the usual bookkeeping required, special forms have been printed for a permanent record of each investment project.

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